

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:1792
ANSWERED ON:12.12.2003
EDUCATION OF LOAN
UMMAREDDY VENKATESWARLU

Will the Minister of FINANCE be pleased to state:

- (a) whether RBI has directed the banks to speed up disposal of applications for education loan upto Rs. 4 lakhs without insisting on collateral security;
- (b) if so, whether some banks are not implementing the guidelines of RBI in this regard; and
- (c) if so, the action taken by the RBI against such banks ?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI ANANDRAO V. ADSUL)

(a): Yes, Sir.

(b) and (c): Reserve Bank of India has reported that all banks are following RBI guidelines. According to RBI, only 8 complaints have been received so far in the current financial year. These relate to rejection, insistence on collateral security, delay in sanction/disbursement. RBI took them up with the controlling offices of respective banks and all of them have been disposed off in terms of extant guidelines of RBI. RBI vide its circular dated October 20, 2003 has recently reiterated the extant guidelines to all implementing banks for strict compliance.